

Payments by the clients to Golden Star for supplying the workers were in the form of checks, usually remitted on a weekly basis based upon invoices submitted to the clients by defendant CHUM SON.

3. The temporary laborers supplied or leased to the client businesses were the employees of Golden Star. These laborers were primarily recruited from the Asian community in Philadelphia. The employees were supplied to client businesses on a temporary basis to perform primarily low skilled jobs, such as packaging, stock and assembly work, among others. The employees were transported to the job sites on a daily basis by Golden Star personnel, including from time to time the defendant. The employees were paid by Golden Star in cash on a weekly basis based on an hourly rate.

4. As part of its business of providing laborers to its clients, defendant CHUM SON represented and agreed in discussions with clients and in written materials distributed to the clients that Golden Star, and not the client, was responsible for collecting, accounting for and paying over to the United States all employment taxes for Golden Star workers.

5. Defendant CHUM SON controlled and managed the daily operations of Golden Star, including, but not limited to: meeting with prospective business clients; negotiating and approving the terms for supplying a pool of labor to the client; supervising the placement and transportation of workers to job sites. The defendant also controlled the financial operations of Golden Star, including the preparation and billing of invoices; receipt and disposal of business income; and the supervision and distribution of cash payroll to Golden Star employees.

6. From approximately 2000 through 2003, Golden Star supplied temporary

laborers to approximately 17 client businesses and generated approximately \$3,957,658 in business receipts.

7. As the President and owner of Golden Star, a sole proprietorship, defendant CHUM SON had a duty to accurately report and account for all the gross receipts received by Golden Star and all the income earned by him from Golden Star on his U.S. individual personal income tax returns (IRS Form 1040, Schedule C, Profits or Loss from Business).

8. Defendant CHUM SON, through Golden Star, paid his employees cash wages “under the table,” in that, defendant CHUM SON did not properly account for these wages in the business books and records of Golden Star, to conceal the true number of employees on the payroll, the amount of cash wages paid to each employee, and the fact that defendant CHUM SON did not collect, account for or pay over to the Internal Revenue Service the employment taxes due on these cash wages.

9. To generate the pool of cash to fund the cash payroll for Golden Star employees, defendant CHUM SON routinely cashed business receipt checks received as payments from the business clients for the leased labor at a check cashing agency in Philadelphia. The cashed checks were not deposited into bank accounts for Golden Star, or otherwise accounted for as business receipts in the books and records of Golden Star.

10. To facilitate the concealment of millions of dollars in cashed business receipt checks and the funding of a cash payroll “under the table,” defendant CHUM SON:

(a) failed to keep and maintain adequate books and records to record accurately all gross receipts of Golden Star and wages paid to employees; and

(b) concealed from his tax return preparer, who prepared defendant CHUM SON'S individual income tax returns for the years 2000, 2002 and 2003, that defendant CHUM SON received substantial additional gross income through Golden Star, totaling approximately \$2,716,953. The defendant also concealed that substantial cash wages were paid to Golden Star employees totaling \$1,957,659 for those tax years.

11. Defendant CHUM SON subscribed to false personal income tax returns (Form 1040) for calendar years 2000, 2002 and 2003 which failed to report or otherwise disclose to the IRS approximately \$2,716,953 in gross business receipts received by Golden Star, thereby failing to pay over approximately \$233,663 in taxes due and owing.

12. On or about March 14, 2001, in Philadelphia, in the Eastern District of Pennsylvania, defendant

CHUM SON,

a resident of Philadelphia, Pennsylvania, willfully made and subscribed a United States individual income tax return, Form 1040, for the calendar year 2000, which was verified by a written declaration that it was made under the penalty of perjury and filed with the Internal Revenue Service, which return defendant CHUM SON did not believe to be true and correct as to every material matter, in that:

- (a) the return falsely reported that Golden Star Temps Corp (Golden Star) had gross receipts/sales of \$25,787 (Schedule C, Profit or Loss from Business, Line 1), when in fact defendant CHUM SON knew Golden Star had gross receipts/sales in addition to that stated, that is approximately \$498,533;
and
- (b) the return falsely reported that Golden Star paid wages of \$5,720

(Schedule C, Profit or Loss from Business, Line 26), when in fact defendant CHUM SON knew Golden Star paid wages in addition to that stated, that is approximately \$394,665.

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWO
(Subscribing a False Tax Return)

THE GRAND JURY FURTHER CHARGES:

1. Paragraphs 1 through 11 of the Introduction of Count One are realleged here.
2. On or about March 1, 2003, in Philadelphia, in the Eastern District of Pennsylvania, defendant

CHUM SON,

a resident of Philadelphia, Pennsylvania, willfully made and subscribed a United States individual income tax return, Form 1040, for the calendar year 2002, which was verified by a written declaration that it was made under the penalty of perjury and filed with the Internal Revenue Service, which return defendant CHUM SON did not believe to be true and correct as to every material matter, in that:

- (a) the return falsely reported that Golden Star Temps Service (Golden Star) had gross receipts/sales of \$54, 027 (Schedule C, Profit or Loss from Business, Line 1), when in fact defendant CHUM SON knew Golden Star had gross receipts/sales in addition to that stated, that is approximately \$1,259,587; and
- (b) the return falsely reported that Golden Star had no wage expenses (Schedule C, Profit or Loss from Business, Line 26) and subcontractor expenses totaling, \$13,601 (Schedule C, Part V), when in fact defendant CHUM SON knew Golden Star paid wages in addition to that stated, that is approximately \$845,972.

In violation of Title 26, United States Code, Section 7206(1).

COUNT THREE
(Subscribing a False Tax Return)

THE GRAND JURY FURTHER CHARGES:

1. Paragraphs 1 through 11 of the Introduction of Count One are realleged here.
2. On or about March 10, 2004, in Philadelphia, in the Eastern District of Pennsylvania, defendant

CHUM SON,

a resident of Philadelphia, Pennsylvania, willfully made and subscribed a United States individual income tax return, Form 1040, for the calendar year 2003, which was verified by a written declaration that it was made under the penalty of perjury and filed with the Internal Revenue Service, which return defendant CHUM SON did not believe to be true and correct as to every material matter, in that:

- (a) the return falsely reported that Golden Star Temps Service (Golden Star) had gross receipts/sales of \$52,476 (Schedule C, Profit or Loss from Business, Line 1), when in fact defendant CHUM SON knew Golden Star Temps had gross receipts/sales in addition to that stated, that is approximately \$958, 832; and
- (b) the return falsely reported that Golden Star had no wage expenses (Schedule C, Profit or Loss from Business, Line 26) and subcontractor expenses totaling \$14,500 (Schedule C, Part V) when in fact defendant CHUM SON knew Golden Star paid wages in addition to that stated, that is approximately \$717,021.

In violation of Title 26, United States Code, Section 7206(1).

COUNTS FOUR THROUGH FIFTEEN
(Failure to Collect, Account for and Pay Over Employment Taxes)

THE GRAND JURY FURTHER CHARGES:

1. Paragraphs 1 through 10 of the Introduction of Count One are realleged here.

2. As the President and owner of Golden Star, defendant CHUM SON had a duty to collect, truthfully account for and pay over to the United States, taxes imposed under the United States Tax Code, that is, federal income tax withholdings (FWT) and Federal Insurance Contribution Act (FICA) taxes comprising Social Security and Medicare taxes (collectively referred to as “employment taxes”) for employees of Golden Star. In this regard, the defendant was required to file quarterly with the Internal Revenue Service (also “IRS”) on IRS Form 941 (“Employer’s Quarterly Tax Return”) reporting the total wages paid to Golden Star employees and the amount of employment taxes due and owing to the United States. In addition, the defendant was required to pay the employment taxes due on those wages at the time the Form 941 was to be filed with the IRS.

3. Defendant CHUM SON, through Golden Star, paid the employee laborers of Golden Star in cash on a weekly basis based on an hourly rate and the number of hours worked at the particular job site. No employment taxes were withheld from these cash wages paid by Golden Star to its employees and employees did not receive an IRS Form W-2 (“Employee Wage and Tax Statement”) from Golden Star.

4. From 2001 through 2003, defendant CHUM SON cashed, or caused to be cashed, approximately \$2.3 million in business receipts checks payable to Golden Star at a check cashing agency in Philadelphia, Pennsylvania to fund a cash payroll “under the table” for Golden

Star employees, and failed to account for, collect and pay over to the IRS approximately \$589,204.29 in employment taxes due and owing on those unreported wages.

5. On or about the following dates in the Eastern District of Pennsylvania, defendant

CHUM SON,

being a person required under Title 26, United States Code to collect, account for and pay over taxes imposed by Title 26, United States Code, did willfully fail to collect and cause to be collected, truthfully account for and cause to truthfully be accounted for, and pay over and cause to be paid over to the United States, federal income tax withholdings and Federal Insurance Contribution Act taxes, of the approximate sums listed below, due and owing to the United States on taxable wages paid by Golden Star to the employee laborers for the following quarters:

Count	Quarter Ending	Wages	Employment Taxes Due	Date Due
4	March 30, 2001	\$64,230.24	\$16,250.25	April 30, 2001
5	June 30, 2001	\$138,776.40	\$35,110.43	July 31, 2001
6	September 30, 2001	\$276,039.75	\$69,838.06	October 31, 2001
7	December 31, 2001	\$258,728.53	\$65,458.32	January 31, 2002
8	March 31, 2002	\$214,585.50	\$54,290.13	April 30, 2002
9	June 30, 2002	\$179,612	\$45,441.84	July 31, 2002
10	September 30, 2002	\$216,026.98	\$54,654.82	October 31, 2002
11	December 31, 2002	\$249,349.50	\$63,085.42	January 31, 2003
12	March 31, 2003	\$172,497.15	\$43,641.78	April 30, 2003
13	June 30, 2003	\$167,478.75	\$42,372.12	July 31, 2003

Count	Quarter Ending	Wages	Employment Taxes Due	Date Due
14	September 30, 2003	\$268,022.10	\$67, 809.59	October 31, 2003
15	December 31, 2003	\$123,523.82	\$31,251.53	January 31, 2004

All in violation of Title 26, United States Code, Section 7202.

A TRUE BILL:

FOREPERSON

PATRICK L. MEEHAN
United States Attorney